

~~of gas flowing from said second delivery conduit pipeline~~ through said expander without the combustion of gas, and control means for operating said satellite assembly.

#### R E M A R K S

Applicant has amended claims 1 and 10 to improve the form of the claims and to clearly distinguish the present invention over the cited prior art. It is respectfully submitted that claims 1-6, 10-12 and 15-16 are in condition for allowance.

Applicant has amended claim 1 to recite a method of generating power utilizing a gas distribution network and claim 10 recites the structure of a novel satellite assembly for generating power in accordance with the present invention. The method of generating power utilizes a satellite assembly to generate power without the combustion of gas during such generation. The gas distribution network is comprised of a gas reservoir delivery system and a delivery conduit pipeline to each customer. The gas reservoir is at a pressure greater than the pressure in the delivery conduit pipeline. The method of generating power includes the step of directing a portion of the gas passing through the delivery conduit pipeline, which is free of a heat exchange member driven by a thermal machine, and without disturbing the flow of gas, to and through the satellite assembly to generate power. Importantly, the satellite assembly generates power based upon the flow of gas through the delivery

pipeline to the expander without combustion. The satellite assembly has a capacity of between about 1 to 10 megawatts.

This unique and novel method and apparatus for generating power in accordance with the present invention provides an extremely economical method and economical apparatus for generating power by utilizing a portion of the flow of gas passing through the delivery conduit pipeline to each customer to generate power by operating a satellite assembly in the absence of combustion.

The Examiner has rejected the claims as being unpatentable over U.S. Patent 5,634,340. Applicant incorporates each and all of the arguments previously presented in the Preliminary Amendment filed January 7, 2000, in distinguishing the present invention from the prior art. Additionally, the following arguments clearly distinguish the claimed method and apparatus from the '340 patent.

Grennan's '340 invention is directed to a process for the co-generation of power which is comprised of compressing a gas during off-peak electricity utilization and the generation of electrical power during peak-electricity utilization.

Importantly, Grennan discloses that his scheme and apparatus utilizes the operation of a compression train to compress the gas during off-peak electrical utilization and the operation of an expansion train to combust and generate electricity during peak-electricity utilization. Expansion and compressor trains are a

series of expanders and compressors which together must be operated by and driven to compress during off-peak hours and to generate during peak-electrical utilization. Thus, Grennan necessarily requires the use of motors or generators (66 or 166) which are coupled to the expansion train by a shaft to generate electricity (See Col. 4, ll 29-34; Col. 4, ll 57-63; Col. 7, ll 31-32). Thus, Grennan is utilizing a system for generating electrical power which is a system which requires a motor and which requires combustion, a system that is totally antithetical to the present claimed invention. Indeed, Col. 4, ll 13-16 clearly teaches that "combustion" is carried out to increase the temperature of the fluid and to somehow increase the power output. Accordingly, Grennan does not disclose or teach a method of generating power or a satellite assembly which requires the direct utilization of a portion of the gas flowing through the delivery conduit pipeline to a customer. Instead, Grennan discloses a co-generation scheme which utilizes the flow of gas between the high pressure and the low pressure systems, not the diversion of a portion of gas that is flowing through the low pressure delivery conduit pipeline to each customer, as is required by applicants claims 1 and 10.

Accordingly, it is simply not seen how Grennan's invention remotely suggests or renders obvious the specific



claimed method and apparatus of applicants claim 1 and 10, and, accordingly, it is respectfully submitted that claims 1-6, 10-12 and 15-16 are in condition for allowance.

Respectfully submitted,

ROBERT M. LUNDBERG

By: Paul L. Brown 27,184  
Paul L. Brown, Reg. No. 27,184

Emrich & Dithmar  
300 South Wacker Drive  
Suite 3000  
Chicago, Illinois 60606  
Phone: 312-663-9800  
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